



Missouri Department of Natural Resources Energy Center

MISSOURI ENERGY BULLETIN

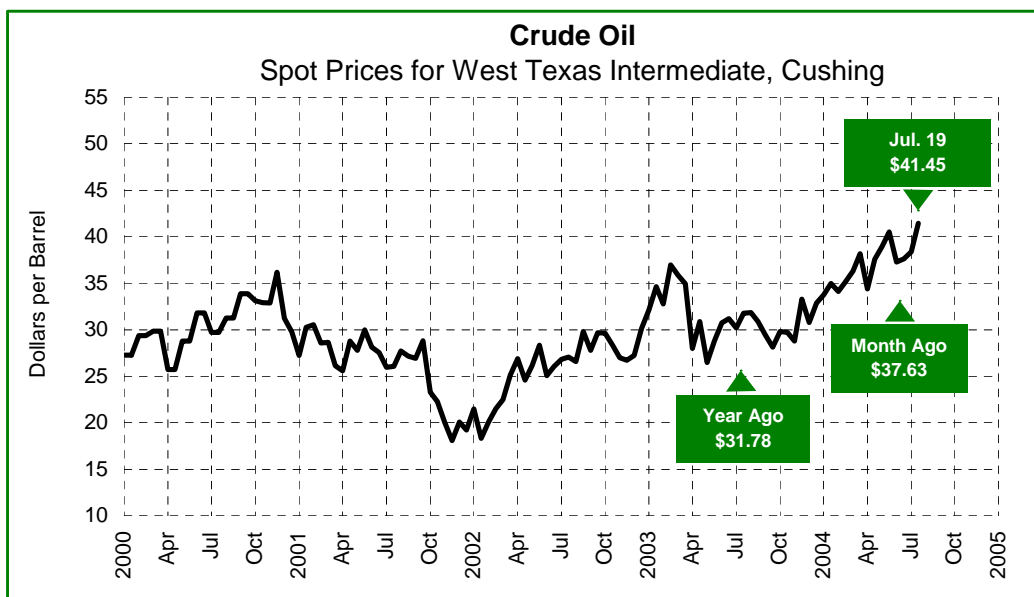
July 22, 2004

Crude Oil

On July 14, U.S. crude oil prices once again moved above \$40 per barrel after falling throughout the month of June.

Crude Oil - Spot Prices (dollars per barrel)					
WTI	<u>07-19-04</u>	<u>06-21-04</u>	<u>change</u>	<u>07-21-03</u>	<u>change</u>
	\$41.45	\$37.63	up 10%	\$31.78	up 30%

- Crude oil prices continue to be volatile at the NYMEX with daily price swings as high as \$1-\$1.50 per barrel. After closing at a new all-time high of \$42.45 on June 2, U.S. crude oil prices fell throughout the month of June. On July 14, crude oil prices once again moved above \$40 per barrel and prices may continue on an upward swing. As of July 22, crude oil prices stood at \$41.38 per barrel, about \$10 per barrel higher than this time last year. The crude oil market continues to react to the threat to petroleum infrastructure in the Middle East and a possible disruption in crude supplies by Russia.
- Crude oil imports fell below 10-million barrels per day for the first time since June and U.S. inventories fell by 3.6-million barrels despite lower refinery runs. Nearly all the inventory decline was on the Gulf and West Coasts. As of July 16, U.S. commercial supplies of crude oil stood at an estimated 299.3 million barrels or 23 million barrels higher compared to this time last year. Crude supplies remain well within the 5-year average for this time of year.



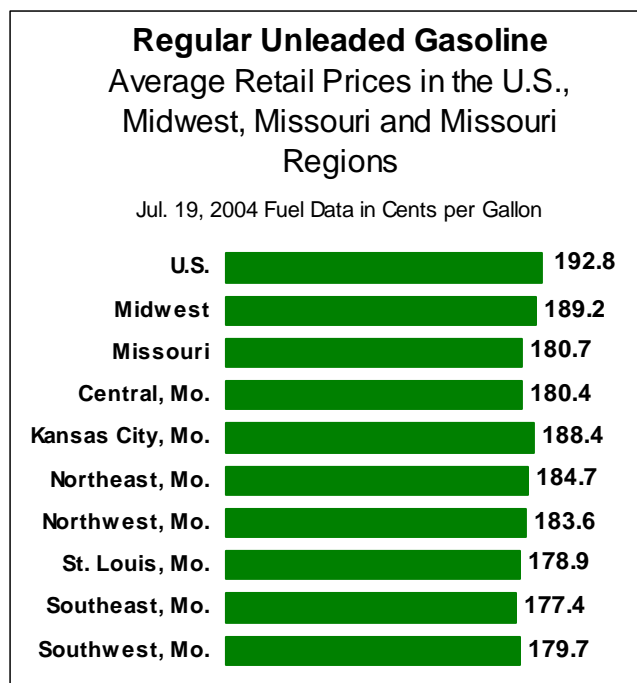
Transportation Fuels

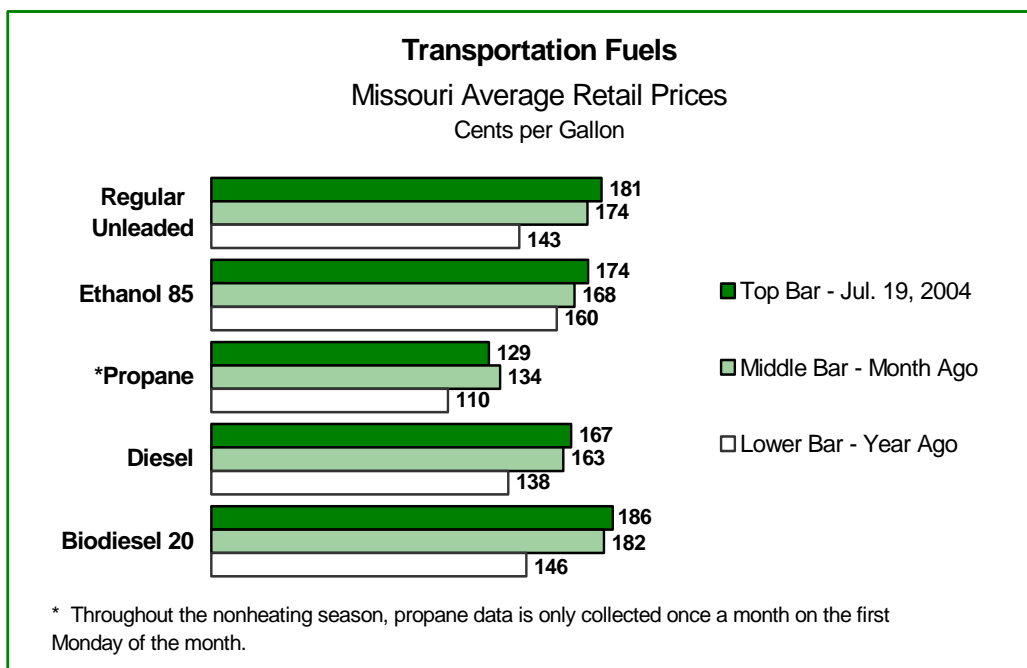
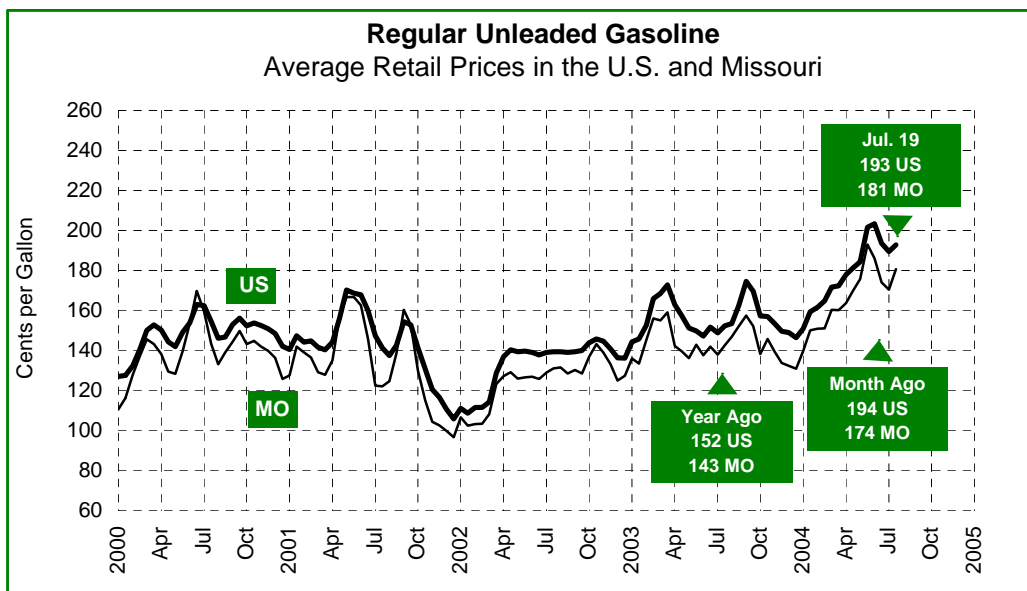
The Missouri retail price for regular gasoline increased 7 cents per gallon from the previous month to reach 181 cents per gallon as of July 19, and 38 cents higher than this time last year.

<i>Regular Unleaded Gasoline - Retail Prices (cents per gallon)</i>					
	<u>07-19-04</u>	<u>06-21-04</u>	<u>change</u>	<u>07-21-03</u>	<u>change</u>
US	193	194	down 1%	152	up 27%
Missouri	181	174	up 4%	143	up 27%

<i>Diesel Fuel - Retail Prices (cents per gallon)</i>					
	<u>07-19-04</u>	<u>06-21-04</u>	<u>change</u>	<u>07-21-03</u>	<u>change</u>
Missouri	167	163	up 2%	138	up 21%

- National average retail gasoline prices climbed from below \$1.50 per gallon at the end of 2003 to above \$2 per gallon by late May 2004. Between May 24 and July 5, retail gasoline prices dropped by nearly 17 cents per gallon, but over the past two weeks they have climbed by a little more than 3 cents per gallon. As crude oil prices are approximately 40 percent of the price of retail gasoline, increases in crude oil are reflected in gasoline prices.
- U.S. gasoline supplies increased for the week ending July 16 with commercial supplies climbing by 2.5 million barrels from the previous week. U.S. supplies are reported at approximately 208 million barrels, well within the 5-year average for this time of year.
- U.S. gasoline supplies increased due to strong domestic gasoline production that stood at just under 9 million barrels per day for the week ending July 16. Gasoline imports remained strong at 872,000 barrels per day for the same period, but below the 1 million barrel per day average seen over the last 3 weeks.





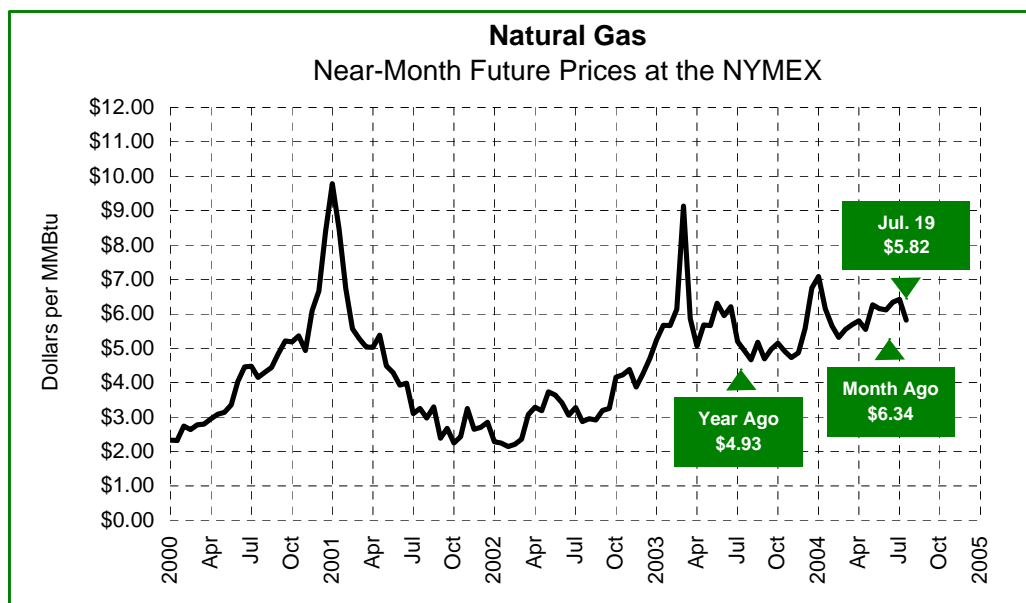
Motor Gasoline - Total Stocks (millions of barrels)					
	07-16-04	06-18-04	change	07-18-03	change
US	208.4	205.1	up 2%	207.8	up 1%

Natural Gas

For the week ending July 16, U.S. commercial supplies of natural gas were 2.6 percent above the 5-year average for this time of year.

Natural Gas - Near Month Future Prices (dollars per mmbtu)					
	07-19-04	06-21-04	change	07-16-03	change
NYMEX	\$5.82	\$6.34	down 8%	\$4.93	up 18%

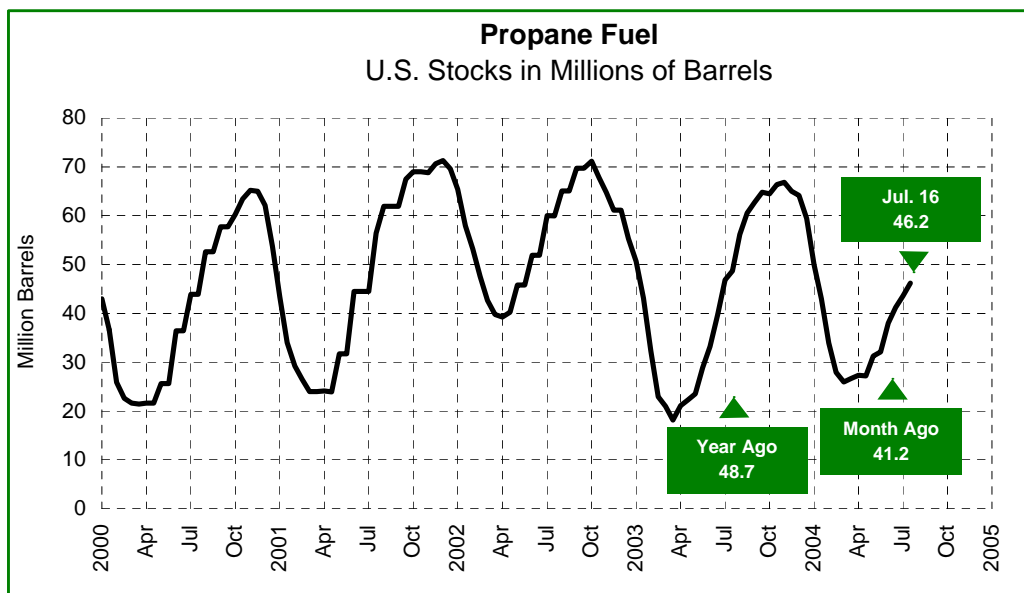
- Working gas in storage was 2,227 Bcf as of Friday, July 16, 2004, according to the EIA *Weekly Natural Gas Storage Report*. This is 57 Bcf, or about 2.6 percent, above the 5-year average for the report week. The implied net injection during the report week was 72 Bcf, which is about 4 percent above the 5-year average net addition of 69 Bcf for the week and 5 Bcf below the injection of 77 Bcf reported for the same week last year.
- Moderate temperatures likely limited air-conditioning demand in many regions of the country. Key markets for cooling demand had temperatures that were lower than normal. The weather for the country as a whole, as measured by cooling degree days were about 23 percent below normal on average in the Lower 48 States during the week ended July 17. The relatively mild temperatures east of the Rockies likely contributed to lower use of natural gas to produce electricity and allowed for the above-average injections into natural gas storage.



Propane

Midwest propane supplies improved by 0.44 million barrels for the week ending July 16, placing supplies at 19.3 million barrels compared with 16.2 million barrels at this time last year.

- Following a surge in import activity last week, particularly in the Gulf Coast region, U.S. inventories of propane increased by 1.7-million-barrels, putting inventories at an estimated 46.2 million barrels as of July 16, 2004. Despite last week's gain, U.S. inventories are 12 percent lower than this time last year. Midwest supplies of propane increased by 0.44 million-barrels for the week and are currently 19 percent higher than this time last year and well within the average level for this time of year.



Energy Bulletin Update

The Energy Bulletin has a new e-mail advisory service that will include an email and a direct link to the Bulletin on our web page rather than an email attachment. This new service will allow our readers to have easy and timely access to a newly designed Missouri Energy Bulletin that includes easier to read summaries of price and supply information as well as colored charts and graphs. To register for the new distribution service, please visit <http://www.dnr.mo.gov/energy/transportation/e-bulletin.htm>

Missouri Energy Outlook

The Missouri Energy Outlook, an energy resource analysis reviewing prices and availability of energy in Missouri over the summer months was released in June by the Missouri Department of Natural Resources' Energy Center. Copies of the Missouri Energy Outlook are available online at the department's Web site at <http://www.dnr.mo.gov/energy/energyoutlook.pdf>, or may be obtained by calling the Missouri Department of Natural Resources' Energy Center at (573) 751-3443 or the department toll free at (800) 361-4827.

The Missouri Energy Bulletin is distributed twice a month by the Missouri Department of Natural Resources, Energy Center. The Energy Center collects transportation and propane heating fuel prices from several retail providers located throughout the state. To preserve confidentiality, price data are averaged and reported by region. The Bulletin is a public resource made available to state government decision-makers, other interested individuals upon request and on-line at the Energy Center Internet address. The department thanks each of the following in helping to provide accurate, timely data on fuel supplies and prices: the U.S. Department of Energy's Energy Information Administration; the National Association of State Energy Officials; the St. Louis AAA Auto Club; regional state energy offices; and Missouri's energy retailers.

For more information, contact: MO Dept. of Natural Resources, Energy Center, P.O. Box 176, Jefferson City, MO 65102-0176; Phone: (573) 751-3443; Fax: (573) 751-6860; E-mail: energy@dnr.mo.gov; Web Address: www.dnr.mo.gov/energy/transportation/fb.htm